

# **RHODE ISLAND COMMERCE CORPORATION**

## **MEETING OF DIRECTORS**

### **PUBLIC SESSION**

**June 27, 2016**

**The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on June 27, 2016 in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the public notice of meeting, a copy of which is attached hereto as Exhibit A, as required by applicable Rhode Island law.**

**The following Directors were present and participated throughout the meeting as indicated: Governor Gina M. Raimondo, Dr. Nancy Carriuolo, Jason Kelly, Mary Lovejoy, Ronald O'Hanley, Michael McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.**

**Directors absent were: Bernard Buonanno, Tim Hebert and Mary Jo Kaplan.**

**Also present were: Secretary of Commerce Stefan Pryor, Darin Early, Jeremy Licht and Thomas Carlotto.**

## **1. CALL TO ORDER AND OPENING REMARKS**

**The Governor called the meeting to order at 5:09 p.m. indicating that a quorum was present.**

**2. TO CONSIDER FOR APPROVAL THE PUBLIC AND EXECUTIVE SESSION MINUTES FOR THE MEETING HELD MAY 23, 2016.**

**Upon motion duly made by Mr. O'Hanley and seconded by Ms. Toledo-Vickers, the following vote was adopted:**

**VOTED: To approve the public and executive session minutes for the meeting held on May 23, 2016.**

**Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Jason Kelly, Mary Lovejoy, Ronald O'Hanley, Michael McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.**

**Voting against the foregoing were: None.**

**3. TO CONSIDER FOR APPROVAL THE ANNUAL REPORT**

**Mr. Early gave an overview of the Annual Report and asked if there**

**were any questions from the Directors.**

**Board members commented that they were impressed with the report.**

**Upon motion duly made by Mr. Nee and seconded by Ms. Lovejoy, the following vote was adopted:**

**VOTED: To approve the Corporation's Annual Report as presented to the Board.**

**Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Jason Kelly, Mary Lovejoy, Ronald O'Hanley, Michael McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.**

**Voting against the foregoing were: None.**

**A copy of the Corporation's Annual Report is attached hereto as Exhibit B.**

**4. TO AUTHORIZE A LAND SWAP IN RELATION TO THE EXPANSION OF FACILITIES BY ALEXION PHARMACEUTICALS.**

**Mr. Nee recused from participation of this agenda item.**

**Mr. Early discussed the Board's prior approval in relation to waiver of**

**covenants to permit an expansion of Alexion's facility in Smithfield, RI.**

**He discussed the land swap that would permit an expansion of parking.**

**Mr. McNally asked about the relationship with Fidelity.**

**Mr. Early explained the prior covenant release that involved Fidelity and Mr. Carlotto noted that the land swap would also require Fidelity's consent.**

**Mr. Wadensten asked what additional support the Corporation would provide going forward.**

**Mr. Early explained that Mr. Valois would continue to be involved in the process and the Corporation's assistance would be provided as needed to ensure the project proceeds to completion.**

**Upon motion duly made by Ms. Sams and seconded by Mr. O'Hanley, the following vote was adopted:**

**VOTED: To authorize a land swap with Alexion Pharmaceuticals, pursuant to the Resolution presented to the Board.**

**Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Jason**

**Kelly, Mary Lovejoy, Ronald O'Hanley, Michael McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.**

**Voting against the foregoing were: None.**

**A copy of the Resolution is attached hereto as Exhibit C.**

**5. TO RECEIVE A PRESENTATION REGARDING THE INNOVATION PROGRAMS AND THE RENEWABLE ENERGY FUND.**

**Christine Smith discussed five Innovation Programs which include two programs under the auspices of the Science and Technology Advisory Council and three programs administered by the Corporation. Ms. Smith gave a power point presentation and discussed the purposes of each program as well as funding to date.**

**Annie R gave an update on the Renewable Energy Fund program of the Corporation.**

**A copy of the power point presentations for the Innovation Program presentation and Renewable Energy Program presentation are attached hereto as Exhibit D.**

**6. TO CONSIDER THE INVESTMENT OF PUBLIC FUNDS UNDER THE**

# **REBUILD RHODE ISLAND TAX CREDIT ACT AND THE QUALIFIED JOBS INCENTIVE ACT IN RELATION TO OCEAN STATE JOBBERS, INC. AND AFFILIATED COMPANIES.**

**Jesse Saglio gave the background of the approval from the Investment Committee and Job Lot's commitment. He explained that Job Lot intends to expand its distribution 49mm 480,000 distribution cent add 125 jobs median salary 47,000/yr.**

**3.1mm tax credits sales and use tax 1.5 mmm**

**Qualified jobs over ten years 3.2mm**

**Mr. Saglio discussed the third-party analysis undertaken by Job Lot that shows a significant gap with Pennsylvania. He explained that the incentives are less than the potential competitive advantage of expanding in Pennsylvania.**

**Mr. Wadensten asked David Sarlitto from Job Lot to discuss the decision to expand in Rhode Island.**

**Mr. Sarlitto xplained that it was a difficult decision and company consultants were advising that Pennsylvania and New Jersey would be a better fit. He went on to explain that Rhode Island is Job Lot's home and the company's leadership made a determination that it would be best to work with State leaders to make the expansion**

**happen in the State.**

**Dr. Carriuolo noted that it was reassuring that these programs are available to retain important companies like Job Lot.**

**Upon motion duly made by Mr. O'Hanley and seconded by Ms. Toledo-Vickers, the following vote was adopted:**

**VOTED: To approve Ocean State Jobbers, Inc. and affiliates for an incentive under the Qualified Jobs Incentive Act and the Rebuild Rhode Island Tax Credit Act, pursuant to the Resolution presented to the Board.**

**Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Jason Kelly, Mary Lovejoy, Ronald O'Hanley, Michael McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.**

**Voting against the foregoing were: None.**

**A copy of the Resolution is attached hereto as Exhibit E.**

**7. TO CONSIDER THE INVESTMENT OF PUBLIC FUNDS UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT AND THE TAX INCREMENT FINANCING ACT IN RELATION TO D'AMBRA WARWICK HOTEL, LLC.**

**Mr. Saglio gave some background on the hotel project of D'Ambra Warwick Hotel, LLC to be located adjacent to the Interlink at TF Green Airport. He explained that it was a 24.8 million project for a 120 room hotel, which will be branded as a Hyatt Place.**

**Mr. Saglio noted that this is the first phase of an anticipated larger development for the site. He discussed the financing gap that results from insufficient market returns amounting to approximately \$5 million.**

**Ms. Sams asked whether there has been any analysis on the market. Mr. Saglio indicated that there was a third-party study and the additional capacity will be absorbed over time.**

**Ms. Lovejoy asked about the financing structure. Mr. Saglio indicated that there will be a first mortgage lender who will also provide a portion of additional funding for completion. He noted there would be an additional mezzanine financing to provide the funding necessary to complete the project.**

**Upon motion duly made by Ms. Sams and seconded by Ms. Toledo-Vickers, the following vote was adopted:**

**VOTED: To approve D'Ambra Warwick Hotel, LLC for an incentive under the Tax Increment Financing Act and the Rebuild Rhode Island Tax Credit Act pursuant to the Resolution presented to the Board.**

**Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Jason Kelly, Mary Lovejoy, Ronald O'Hanley, Michael McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.**

**Voting against the foregoing were: None.**

**A copy of the Resolution is attached hereto as Exhibit F.**

**There being no further business in Public Session, the meeting was adjourned by unanimous consent at 5:56 p.m. upon motion made by Mr. Wadensten and seconded by Ms. Carriuolo.**

**Thomas E. Carlotto, Secretary**